



**STATEMENT OF PROCEEDINGS  
FOR THE REGULAR MEETING OF THE  
LOS ANGELES COUNTY AUDIT COMMITTEE**

**KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 372  
LOS ANGELES, CALIFORNIA 90012**

**Wednesday, January 21, 2015**

**2:00 PM**

AUDIO LINK FOR THE ENTIRE MEETING. (15-0497)

**Attachments:** [AUDIO](#)

Present: Chair Lori Glasgow, Vice Chair James Blunt and Kieu-Anh King

Absent: Dorinne Jordan and Carl Gallucci

**I. ADMINISTRATIVE MATTERS**

1. Call to Order. (15-0303)

**The meeting was called to order by Lori Glasgow at 2:06 p.m.**

2. Approval of the December 17, 2014 meeting minutes. (15-0304)

**On motion of Kieu-Anh King, seconded by James Blunt, this item was approved.**

**Attachments:** [SUPPORTING DOCUMENT](#)

3. Discuss and take appropriate action on the Committee's schedule of future meetings. (15-0359)

**On motion of James Blunt, seconded by Kieu-Anh King, the Audit Committee approved changing their meeting schedule to the third Thursday of every month at 10:30 a.m.**

**Attachments:** [SUPPORTING DOCUMENT](#)

**II. BOARD POLICIES**

4. Recommendation to amend Board Policy No. 3.046 - Water Recycling Policy and extend the sunset review date to February 20, 2017. (15-0366)

**On motion of Kieu-Anh King, seconded by James Blunt, this item was approved.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

5. Recommendation to extend the sunset review date of Board Policy No. 3.116 - Los Angeles County Child Wellness Policy, to November 30, 2019. (14-4153)

**On motion of Kieu-Anh King, seconded by James Blunt, this item was approved.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

6. Recommendation to extend the sunset review date of Board Policy No. 3.120 - Departmental Conflict of Interest and Disclosure Codes, to March 20, 2019. (15-0361)

**On motion of Kieu-Anh King, seconded by James Blunt, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

7. Recommendation to extend the sunset review date of Board Policy No. 5.070 - Multi - Year Services Contract Cost of Living Adjustments to March 18, 2017. (15-0305)

**On motion of Kieu-Anh King, seconded by James Blunt, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

8. Recommendation to amend Board Policy No. 7.030 - Coordination of County Legislation Position in Sacramento and Washington to add a reference section and extend the sunset review date to March 30, 2020. (15-0360)

**On motion of Kieu-Anh King, seconded by James Blunt, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

**III. OLD BUSINESS**

9. Sodexo America, LLC - A Department of Health Services Housekeeping Services Contract Service Provider - Contract Compliance Review (9/30/14). (14-4504)

**James Blunt expressed concern regarding the results of the audit. Kathy Hanks, Director for Contracts and Grants, Department of Health Services (DHS), provided an overview of the quality control plan DHS anticipates on utilizing to ensure that the agency complies with resolving concerns addressed in the audit.**

**James Blunt asked DHS staff to provide an update at the next meeting.**

**On motion of James Blunt, seconded by Kieu-Anh King, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

10. Foothill Family Service - A Department of Mental Health and Department of Children and Family Services Provider - Contract Compliance Review (10/15/14). (14-4781)

**On motion of Kieu-Anh King, seconded by James Blunt, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

**IV. REPORTS**

11. Fiscal Year 2014-2015 Cash Flow Projection (12/19/14). (15-0161)

**On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

12. Treasurer's December 1, 2014 Cash Count (12/19/14). (15-0162)

**On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

13. Westside Family Health Center - A Department of Public Health Division of HIV and STD Programs Provider -Contract Compliance Review (12/22/14). (15-0163)

**On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

14. Federal Department of Homeland Security Grant Sub-Recipient Monitoring for Fiscal Year 2012-13 (12/22/14). (15-0164)

**On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

15. Department of Public Social Services - Information Technology and Security Policies Review (12/22/14). (15-0300)

**On motion of Kieu-Anh King, seconded by James Blunt, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

16. Audit of the Los Angeles County Treasury For The Year Ended June 30, 2014 (1/8/15). (15-0307)

**On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

17. Treasurer and Tax Collector - Redemption Property Tax Collections Financial And Compliance Audits For Fiscal Year 2013-14 (1/8/15). (15-0308)

**On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

18. Comprehensive Annual Financial Report for Fiscal Year 2013-14. (15-0362)

**Kieu-Anh King requested clarification on the County's Unrestricted Net Position. Connie Yee, Auditor-Controller (A-C), provided an overview of the County's financial statements and indicated that the County's Unrestricted Net Position reflects a negative dollar amount due to the increase of liabilities for other postemployment benefits (OPEB).**

**Lori Glasgow asked why there are different amounts. Ms. Yee indicated that other liabilities contribute to the creation of different amounts.**

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John Naimo, A-C, provided an overview of the County's current and future process to address OPEB and answered questions posed by the Committee.

Ms. Yee indicated that future meetings with the Chief Executive Office will be set up to discuss funding methods for OPEB.

Lori Glasgow asked when the expected change for accounting principles regarding liabilities is set to occur. Mr. Naimo confirmed that all liabilities will need to be disclosed within two to three years.

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments:    [SUPPORTING DOCUMENT](#)

## **V. DISCUSSIONS**

### **19.    DPH-DHSP Monitoring Update. (14-5252)**

Lori Glasgow expressed concern regarding agencies that fail to implement recommendations. Dave Young, Department of Public Health (DPH), provided an overview of findings and recommendations for various contractors. Andrea Ross, County Counsel, confirmed that the County is currently in litigation with one agency; a court date is scheduled for September 2015. Ms. Ross added that due to allegations of retaliation the agency is still in business with the County.

Lori Glasgow asked if there is a process to collect payments and expressed concern with the debt owed by Cal State Long Beach. Mr. Young confirmed that a series of three letters will be sent to the debtor, debts that are not repaid within the timeframe will result in the suspension of the account. Mr. Young confirmed that three letters have been sent to Cal State Long Beach and the school has responded with an agreement to repay.

In response to questions posed by the Committee, Mr. Young indicated that the Department of Mental Health (DMH) will be present at the next meeting and will provide an update on agencies contracted with DMH.

Kieu-Anh King expressed concern regarding Westside Family Health Center's inability to address recommendations. Mr. Young indicated that a recent audit was concluded in December 2014 and has resolved all issues.

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Kieu-Anh King requested clarification on the recommendations for the Los Angeles Centers for Alcohol and Drug Abuse (LACADA). Mr. Young indicated that LACADA has paid their debt in full and DPH is awaiting confirmation of the implemented recommendations; a follow up audit is scheduled to take place soon.

Attachments:    [SUPPORTING DOCUMENT](#)

**20. CARD Status Report. (15-0356)**

Jason Stempinski, Auditor Controller (A-C), provided an update on the Contractor Alert Reporting Database (CARD). Mr. Stempinski indicated that a Contractor was added to CARD and Santa Anita Family Services was recommended for CARD. Kathy Hanks, Department of Health Services (DHS) provided an overview of the 1400 various types of contractors that DHS engages with.

Kieu-Anh King asked how many potential contractors should be placed on CARD and how many are brought before the Committee. Ms. Hanks could not confirm an exact amount but indicated that as audits continue several contractors may be recommended to be placed on CARD. Don Chadwick, A-C, added that DHS conducts their own audits; therefore, only a few DHS contractors have been audited by the A-C. Mr. Stempinski added that a new audit plan for DHS will be implemented soon.

James Blunt asked if the A-C was consulted after an internal audit was conducted and if internal reports were brought to the Boards attention. Mr. Stempinski confirmed that on occasion the A-C has been consulted and findings have not yet been presented to the Board. Mr. Chadwick added that a new audit plan will commence in the Spring of the 2015-16 fiscal year.

Kieu-Anh King asked if health audits are reported to the Health Deputies. Ms. Hanks was not able to confirm, audits are handled by a separate department.

Mr. Stempinski asked if this item can be placed under Reports to be received and filed on future agendas. The Committee had no preference at this time, Lori Glasgow confirmed that this item can be received and filed in the future.

**Attachments:**    [SUPPORTING DOCUMENT](#)

21. Pending Audits/Monitoring Reports. (15-0339)

**No reports were presented.**

**VI. MISCELLANEOUS**

22. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (15-0309)

**There were no matters presented.**

23. Public Comment. (15-0310)

**No members of the public addressed the Committee**

24. Adjournment. (15-0311)

**There being no further business to discuss, the meeting adjourned at 2:43 p.m.**